

DOCUMENT RESUME

ED 256 025

EA 017 648

TITLE Public Involvement in Block Grant Decisions: Multiple Opportunities Provided but Interest Groups Have Mixed Reactions to States' Efforts. Report to the Congress.

INSTITUTION General Accounting Office, Washington, D.C.

REPORT NO GAO/HRD-85-20

PUB DATE 28 Dec 84

NOTE 62p.

AVAILABLE FROM U.S. General Accounting Office, Document Handling and Information Services Facility, P.O. Box 6015, Gaithersburg, MD 20760 (free).

PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC03 Plus Postage.

DESCRIPTORS *Block Grants; *Citizen Participation; Educational Policy; Elementary Secondary Education; Federal Programs; Government School Relationship; Hearings; *Participative Decision Making; *Policy Formation; Political Influences; *Politics of Education; Public Opinion; Public Support; School Support; State Federal Aid

IDENTIFIERS Omnibus Budget Reconciliation Act 1981

ABSTRACT

This report, one of a series on block grant implementation, describes the efforts 13 states have made to involve the public in their block grant decisions, and the reaction of various state-level interest groups to those efforts. These public input opportunities were established in response to federal requirements, but also on account of the greater discretion available to the states. The public's opportunity to participate in block grant program decisions has been increased by the availability of more than one forum for public input, such as hearings and opportunities to comment on draft intended-use reports. There has also been greater activity among interest groups and more involvement by state elected officials. However, interest groups were split in their assessment of state efforts to solicit their input. The report concludes that federal public participation requirements, in conjunction with states' own methods, promote multiple opportunities for public involvement and create settings where different degrees of emphasis were placed on a wide variety of issues. Three appendixes supply (1) a list of General Accounting Office (GAO) reports on implementation of block grants, (2) a description of GAO's data collection methodology, and (3) an analysis of interest group characteristics related to their degree of satisfaction with state input processes. (TE)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *

ED256025

EA

BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Public Involvement In Block Grant Decisions: Multiple Opportunities Provided But Interest Groups Have Mixed Reactions To States' Efforts

Multiple opportunities exist for the public to influence state decisions concerning the use of block grant funds. These public input opportunities were established both in response to federal requirements and the greater discretion available to the states.

GAC concludes that the public's opportunity to participate in block grant program decisions has been increased by the availability of more than one forum for public input, such as hearings and opportunities to comment on draft intended use reports. There has also been greater activity among interest groups and more involvement by state elected officials. However, interest groups were split in their assessment of state efforts to solicit their input.

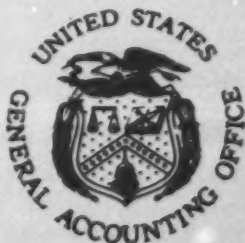
Because increased public oversight of state decisions is a key element of the block grant approach, the federal public participation requirements that currently exist also would be beneficial for future block grants. Such requirements, in conjunction with states' own methods, promoted multiple opportunities for public involvement and created settings where different degrees of emphasis were placed on a wide variety of issues.

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

X This document has been reproduced as received from the person or organization originating it.

Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.



EA 017 648

Request for copies of GAO reports should be sent to:

**U.S. General Accounting Office
Document Handling and Information
Services Facility
P.O. Box 6015
Gaithersburg, Md. 20760**

Telephone (202) 275-6241

The first five copies of individual reports are free of charge. Additional copies of bound audit reports are \$3.25 each. Additional copies of unbound report (i.e., letter reports) and most other publications are \$1.00 each. There will be a 25% discount on all orders for 100 or more copies mailed to a single address. Sales orders must be prepaid on a cash, check, or money order basis. Check should be made out to the "Superintendent of Documents".

BEST COPY AVAILABLE



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-214417

To the President of the Senate and the
Speaker of the House of Representatives

At the request of the Chairman, Senate Committee on Governmental Affairs, as well as other congressional committees, the General Accounting Office reviewed the implementation of the block grants created by the Omnibus Budget Reconciliation Act of 1981. This report analyzes state efforts to involve the public in program decisions. It is one in a series we are issuing on block grant implementation.

Copies of this report are being sent to the appropriate House and Senate committees; the Secretaries of Health and Human Services and of Education; the Director, Office of Management and Budget; and the governors and legislatures of the states we visited.

Charles A. Bowsher
Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

PUBLIC INVOLVEMENT IN BLOCK
GRANT DECISIONS: MULTIPLE
OPPORTUNITIES PROVIDED BUT
INTEREST GROUPS HAVE MIXED
REACTIONS TO STATES' EFFORTS

D I G E S T

The Omnibus Budget Reconciliation Act of 1981 substantially changed various federal domestic assistance programs by consolidating numerous categorical programs into nine block grants and shifting primary administrative responsibility to states. These block grants cover a wide range of areas, including health services, social services, low-income energy assistance, community services, and education. Total national appropriations for these programs averaged about \$6.4 billion a year for fiscal years 1982-84.

A prominent issue surrounding the creation of the block grants was whether states would seek to involve the public in decisions on how to use the funds. This contributed to the inclusion of legislative requirements that states provide opportunities for public involvement in block grant decisions. This public accountability process, according to the Department of Health and Human Services, would become a fundamental check on states' use of the block grant funds and substitute for a strong federal oversight role.

This report describes trends across seven block grants, the efforts 13 states have made to involve the public in their block grant program decisions, and the reaction of various state-level interest groups to those efforts. It is one of a series GAO is issuing on block grant implementation. Earlier reports focused on each block grant and included detailed information on state efforts to involve the public in decisions for that block grant.

GAO did its work in 13 states: California, Colorado, Florida, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, Pennsylvania, Texas, Vermont, and Washington. This report is based on the implementation of seven block grants (alcohol, drug abuse, and mental health services; community services;

education; low-income home energy assistance; maternal and child health services; preventive health and health services; and social services). GAO's analysis is based on observations of 91 cases (the 7 block grants multiplied by the 13 states). This report does not discuss two block grants created in 1981--only one state has accepted the primary care block grant and GAO's earlier study on the small cities community development block grant dealt with different states.

Together, for the seven programs reviewed, the 13 states accounted for about 46 percent of 1983 national block grant appropriations and account for about 48 percent of the nation's population. While these states represent a diverse cross-section, the results of GAO's work cannot be projected nationally. In addition to questions posed to state program officials, GAO also sent questionnaires to about 1,500 interest groups in the 13 states. This questionnaire sought input from a diverse set of interest groups, but because it was not intended to be a representative sample of interest groups in these states, the results cannot be projected to a broader range of groups.

GAO did not obtain comments on a draft of this report from the Departments of Health and Human Services or Education because the data in this report are based on information included in the individual block grant reports listed in appendix I. These agencies reviewed drafts of these reports and generally concurred with the findings.

STATES PROVIDE OPPORTUNITIES
FOR PUBLIC INVOLVEMENT
BEYOND THOSE FEDERALLY REQUIRED

Although there is variation among the block grants, the 1981 act generally requires states to offer one or two types of public input opportunities. The most common, which is included in six block grants, requires states to solicit public comments on their plans or reports describing the intended use of funds (intended use reports). Four block grants also require that a public hearing be held on the proposed use and distribution of funds, in three instances specifically by the state

legislature. Only the education block grant requires states to establish an advisory committee. (See p. 3.)

The 13 states GAO visited not only used these federally mandated opportunities but also provided other forums to foster public involvement during the annual decision-making process for the seven block grants. In 50 of the 91 cases, states provided at least four different forums: (1) hearings by the state executive branch, (2) hearings by state legislatures, (3) advisory group participation, and (4) comments on intended use reports. In another 35 cases, three of the four opportunities above were provided, and in the remaining 6, one or two opportunities were offered. (See pp. 7 and 8.)

The use of multiple forums attracted a different mix of groups. For example, while service providers were the most frequent participants in all four of the public input forums cited above, private citizens participated in or attended 80 percent of executive branch hearings, but submitted written comments on intended use reports in less than half of the cases where written comments were solicited. Also, local governments and representatives of minorities, the handicapped, and other advocacy groups were involved more extensively in certain public input forums, such as executive branch hearings, than in others, such as legislative hearings. (See pp. 8 and 9.)

The different forums were also important because they focused on a different mix of issues. For example, the need to increase or maintain funding for specific protected groups (e.g., minorities and handicapped) was cited as a great concern during executive hearings in 41 percent of the cases compared to 28 percent or less through the other forums. Likewise, administrative and eligibility issues were more frequently raised through advisory groups than through other forums. For instance, changes in beneficiary eligibility surfaced as a great concern through advisory groups in 30 percent of the cases compared to 10 percent or less in any other forum. Although different issues were raised, the need to maintain or increase funding for specific services was the most dominant issue,

raised in at least 68 percent of the cases for each forum. (See p. 10.)

MAJOR TRENDS IN THE USE
OF PUBLIC INPUT FORUMS

While states used several public input forums, certain patterns emerged in the way states developed and used hearings, advisory groups, and intended use reports. On the average, state executive agencies and legislatures held more than one hearing addressing each block grant, and some of these public input opportunities were new. Specifically, the 13 states reported holding executive hearings for prior categorical grants in 27 percent of the cases in fiscal year 1981, whereas they held hearings for fiscal year 1983 block grants in 89 percent. Likewise, 5 of the 13 legislatures reported holding hearings on the prior categorical grants, while all 13 participated in at least one hearing addressing the block grants in 1983. (See p. 11.)

Although federally required in only the education block grant, advisory groups were used in 83 percent of the cases across the 13 states. In making decisions, state program officials relied more heavily on advisory groups than any other information source. States reported making program decisions in response to advisory committee recommendations in 68 percent of the cases. Executive or legislative hearings were the only other significant source of input which state officials said led to specific decisions in more than half (52 percent) of the cases. (See p. 22.)

The influence of comments on intended use reports varied among the block grants. For the health and social services block grants, where funds are combined with state and other funds, decisions were typically made through the states' broader planning or budgeting processes. In these instances, intended use reports were used in one-third or less of the cases. In contrast, comments on intended use reports were used in over 60 percent of the cases for the community services and low-income energy block grants, where federal funds are the predominant funding source. (See pp. 19 to 21.)

INVOLVEMENT OF STATE ELECTED OFFICIALS AND INTEREST GROUPS INCREASED

Governors and legislatures in about half the cases were reported by state program officials to be more involved than they were under the prior categorical programs. While the expanded discretion to make decisions on the use of funds contributed to this overall trend, the legislative hearing requirement also contributed to an expanded role by state legislatures in the use of block grant funds. Also, nearly half of the interest groups GAO surveyed increased their involvement with state executive and/or legislative officials. (See pp. 24 to 29.)

INTEREST GROUPS HAVE SPLIT ASSESSMENT OF STATE EFFORTS

Interest groups in the 13 states were equally divided regarding their satisfaction or dissatisfaction with state program decisions. The 534 groups responding to GAO's questionnaire were evenly divided in their assessments of states' responses to their key program concerns--funding for specific services, geographic areas, and services for protected groups (e.g., minorities and handicapped). (See p. 23.)

Interest groups were also mixed in their perceptions of state public input processes. Sixty-eight percent of the interest groups were satisfied with their informal access to state officials. Also, more groups were satisfied than dissatisfied with the role and composition of advisory groups (45 to 34 percent and 47 to 31 percent, respectively). However, they were somewhat more evenly divided on hearings and commenting procedures. The areas of greatest dissatisfaction were the availability of information before hearings and the timing of both hearings and comment periods in relation to when state decisions were made. (See pp. 14, 19, and 21.)

Interest groups that actively participated in the state public input processes tended to be more satisfied with those processes than groups not actively involved. Similarly, state-level interest groups were generally

more satisfied with state processes than county-level groups. Also, interest groups representing organizations (as opposed to individuals) as well as those that did not include minorities as one of their constituencies were generally more satisfied than other groups. Finally, interest groups who believed their members were favorably affected by state block grant decisions were generally satisfied with state input procedures, while those groups perceiving negative effects tended to be dissatisfied. (See 30.)

CONCLUDING OBSERVATIONS

The public's opportunity to influence state decisions for programs supported with block grant funds in the 13 states has been enhanced through the combined effects of the multiple public participation opportunities offered by the states, the increased involvement of state elected officials, and the increased activity of interest groups at the state level. Expanded public input opportunities were established both in response to federal requirements and the greater discretion available to the states; however, interest groups were split in their assessment of state efforts to solicit their involvement.

The increased public oversight of these programs is in harmony with the principles of the block grant approach. In GAO's opinion, federal public participation requirements that currently exist also would be beneficial for future block grants. Such requirements, in conjunction with states' own methods, promoted multiple opportunities for public involvement and created settings where different degrees of emphasis were placed on a wide variety of issues.

C o n t e n t s

DIGEST CHAPTER		<u>Page</u>
		i
1	INTRODUCTION	1
	Block grant public accountability provisions	2
	Objectives, scope, and methodology	4
2	QUESTIONS AND ANSWERS ABOUT STATE EFFORTS TO PROVIDE OPPORTUNITIES FOR PUBLIC INPUT INTO BLOCK GRANT PROGRAM DECISIONS	7
	Did states use only federally mandated opportunities to solicit public input into block grant program decisions?	7
	Did block grants provide new public hearing opportunities?	11
	Did hearings provide meaningful opportunities for public involvement?	11
	Did advisory groups and task forces play a significant role in block grant implementation?	16
	Were written comments on intended use reports and other methods frequently used as sources for public input?	19
	To what extent did states use public input in their decision-making process?	21
	Did block grants increase the involvement of state elected officials and interest groups?	24
	How did interest groups view state efforts to solicit their input?	30
	What conclusions can be drawn about public participation in the block grant process?	30
APPENDIX		
I	Series of GAO reports on the implementation of block grants created by the Omnibus Budget Reconciliation Act of 1981	32
II	Description of GAO's data collection methodology	33
III	Analysis of interest group characteristics related to differences in interest group satisfaction with state input processes	40

ILLUSTRATIONS

Tables

1	Comparison of the 1981 block grant statutory citizen participation requirements as applied by federal agencies	3
2	Percent of responses where various participants were involved in different public input forums according to state legislative or program officials	9
3	Issues that were of great concern, by public input forum according to state legislative or program officials	10
4	Information on key items that contribute to hearings being meaningful opportunities for obtaining public input according to state legislative or program officials	12
5	Timing of hearings in relation to block grant decision making	13
6	Interest group satisfaction with different aspects of state public hearing processes	14
7	Interest group responses regarding their satisfaction with state efforts to solicit public input through comments on intended use reports	21

Charts

1	Forums available for public input into block grant decisions according to state program officials	8
2	Percent of advisory committees with representation from key groups	18
3	State program officials' opinions about the percent of cases in which public input influenced program decisions	22
4	Interest group general satisfaction with states' responses to maintaining or increasing funds for issues of great concern	23

		<u>Page</u>
 Charts		
5	State program officials' opinions about the change in gubernatorial and legislative involvement with block grants as compared to prior categorical programs	25
6	State program officials' perceptions regarding the levels of gubernatorial and legislative involvement with block grants compared to related state programs	26
7	Changes in the level of interest group interaction with state program officials and state legislators with block grants compared to prior categorical programs	27
8	Formal forms of interest group involvement in block grant implementation	28
9	Informal forms of interest group involvement in block grant implementation	29

ABBREVIATIONS

ADAMH	alcohol, drug abuse, and mental health services block grant
CSBG	community services block grant
GAO	General Accounting Office
LIHEA	low-income home energy assistance block grant
MCH	maternal and child health services block grant
PHHS	preventive health and health services block grant
SSBG	social services block grant

CHAPTER 1

INTRODUCTION

As a part of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), the Congress consolidated a number of federal categorical grant programs into nine block grants covering a wide range of domestic assistance areas. Four block grants relate to health services, and one each to social services, low-income energy assistance, education, community development, and community services. These block grants provided states with greater decision-making authority than the prior categorical programs. As a result, there has been considerable interest in how states are carrying out their responsibilities.

A prominent issue surrounding the creation of the block grants was whether states would seek to involve the public in decisions on how to use block grant funds. This contributed to the inclusion of legislative requirements that states provide opportunities for public input into block grant decisions. This public accountability process, according to the implementation regulations issued by the Department of Health and Human Services, would become a fundamental check on states' use of the block grant funds and substitute for a strong federal oversight role.

This report discusses what 13 states have done to involve the public in their block grant program decisions and the reaction of various state-level interest groups to those efforts. It is one of a series being issued on state implementation of the block grants (see app. I). Earlier reports focused on specific block grants and summarized our conclusions on a range of issues, including funding trends, program modifications, and management changes. These reports also included detailed information on state efforts to provide public accountability for the applicable block grant. This report describes public accountability trends across the block grants by focusing on key questions concerning state efforts to obtain and use public input in making program decisions.¹

¹This report is based on information gathered on seven of the nine block grants enacted in 1981. Our analysis of the small cities community development block grant dealt with different states and preceded the study of the other blocks because that work had to be completed for reauthorization hearings in early 1983. The primary care block grant was omitted because only one state chose to administer it.

BLOCK GRANT PUBLIC ACCOUNTABILITY PROVISIONS

Table 1 shows the statutory requirements established to encourage public accountability in the various block grants.² In general, there were two: the solicitation of public comments on state plans describing the intended use of block grant funds (intended use reports) and public hearings sponsored by either a state's executive or legislative branch. A third form, state advisory committees, was required only for the education block grant.

²Statutory requirements for public participation appear in the individual block grants as well as in title XVII of the Omnibus Budget Reconciliation Act of 1981. For some block grants, title XVII establishes minimum requirements for public hearings and the circulation of draft plans describing the intended use of funds. However, the Department of Health and Human Services and the Department of Education have concluded that the specific public participation requirements of the individual block grants take precedence over title XVII. Table 1 presents requirements for individual block grants based on interpretations by the Departments of Health and Human Services and of Education.

Table 1

Comparison of the 1981 Block Grant
Statutory Citizen Participation Requirements
as Applied by Federal Agencies

<u>Block grant</u>	<u>Intended use report</u>	<u>Executive or legis- lative hearings</u>	<u>Legis- lative hearings only</u>	<u>Other</u>
Alcohol, drug abuse, and mental health services ^a	x		x	
Community services ^a	x	x ^b	x	c
Education				x ^d
Low-income home energy assistance	x	x		
Maternal and child health ^a	x			
Preventive health and health services ^a	x		x	
Social services ^a	x			

^aThese block grants also require periodic postexpenditure reports on the uses of the block grant funds.

^bThe federal 8th Circuit Court of Appeals held that a public hearing was required in the first year of the block grant (South Eastern Development Corp. v. Schweiker, 687 F. 2d 1150 (1982)).

^cThe community services block grant provides for public participation at the recipient level by requiring that the boards of local community action agencies or private, nonprofit organizations be representative of public officials, clients served, and major interest groups in the community.

^dA gubernatorially appointed state advisory committee and consultation with parents and teachers are required.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this report are to address the key issues regarding states' efforts to provide opportunities for public input into block grant program decisions, including the

- methods states relied on to obtain input,
- states' use of the input received, and
- interest group assessments of states' public input processes.

We developed information on state public input opportunities and asked a group of state-level interest groups to assess state efforts. However, we did not independently evaluate state processes or attempt to verify interest group responses. Also, these responses, while gathered from a wide variety of groups, were not a random sample and cannot be considered representative of all interest groups.

As shown in the map on the following page, we conducted our work in 13 states: California, Colorado, Florida, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, Pennsylvania, Texas, Vermont, and Washington. These states were selected to attain geographic balance and to include states with (1) differing fiscal conditions and varying ranges of per capita incomes, (2) varying degrees of involvement by state executive and legislative branches in overseeing and appropriating federal funds, and (3) varying service delivery systems. At least one state was selected in every standard federal region, and in total, the 13 states accounted for approximately 46 percent of all 1983 block grant funds and about 48 percent of the nation's population. Our sample of 13 states represents a judgmental selection. Therefore, our results may not be projected to the nation as a whole.

This report focuses on seven of the nine block grants enacted in 1981: alcohol, drug abuse, and mental health (ADAMH); community services (CSBG); education; low-income home energy assistance (LIHEA); maternal and child health services (MCH); preventive health and health services (PHHS); and social services (SSBG). Total national appropriations for these block grants averaged about \$6.4 billion a year for fiscal years 1982 through 1984.



**STATES VISITED IN
STANDARD FEDERAL REGIONS**



BEST COPY AVAILABLE

We used six different questionnaires (supplemented by interviews and follow-up work) to obtain information on 1983 activities (the second year of block grant implementation) and state plans for 1984. Our questionnaires were sent to state block grant program officials, legislative leaders, legislative fiscal officers, legislative committees, governors' offices, and a diverse range of interest groups. They were designed to gather consistent information across states and across block grants. Interest groups in each of the 13 states were identified by contacting nearly 200 national level interest groups and from attendance rosters kept by some of the state agencies during their block grant hearings.

All questionnaires were pretested and externally reviewed prior to their use. The extent of pretest and review varied, but in each case one or more knowledgeable state officials or individuals from other organizations provided their comments or completed the questionnaire and discussed their observations with us.

We received a 100-percent response to our questionnaires to program officials, governors' staffs, and legislative committee staffs. We received enough responses from legislative leaders and legislative fiscal officers to ensure each state was represented. Of the 1,662 questionnaires sent to interest groups in our states, we received 786 responses (47 percent) from a variety of groups, including organizations representing service providers, local governments, and those protected by civil rights laws, such as ethnic minorities, the elderly, the handicapped, and women. Of these, 534 (68 percent) responded that they had at least some knowledge of their state's implementation of one or more block grants. However, because it is not a representative sample (it was not practical to define the "universe" of possible interest groups), the interpretation of the results cannot be generalized to all interest groups in the 13 states.

A detailed discussion of the content, source of information, and method of administration for each questionnaire is included in appendix II. Our work was done in accordance with generally accepted government auditing standards. The photographs on pages 9, 15, and 29 are provided courtesy of the Mississippi Governor's Office of Federal-State Programs. The photo on page 17 was provided by Florida's Department of Health and Rehabilitative Services.

We did not obtain comments on a draft of this report from the Departments of Health and Human Services and of Education because the data in this report are based on information included in the individual block grant reports listed in appendix I. These agencies reviewed drafts of these reports and generally concurred with the findings.

CHAPTER 2

QUESTIONS AND ANSWERS ABOUT STATE EFFORTS

TO PROVIDE OPPORTUNITIES FOR PUBLIC INPUT

INTO BLOCK GRANT PROGRAM DECISIONS

This chapter addresses the key questions concerning states' efforts to provide the public with opportunities to provide input into block grant program decisions. Essentially, these questions focus on

- the specific opportunities states offered for public input into block grant decisions,
- the use made of input from different state methods in state program decision making, and
- interest group perspectives on state efforts to solicit public input and their satisfaction with states' responses to issues of concern.

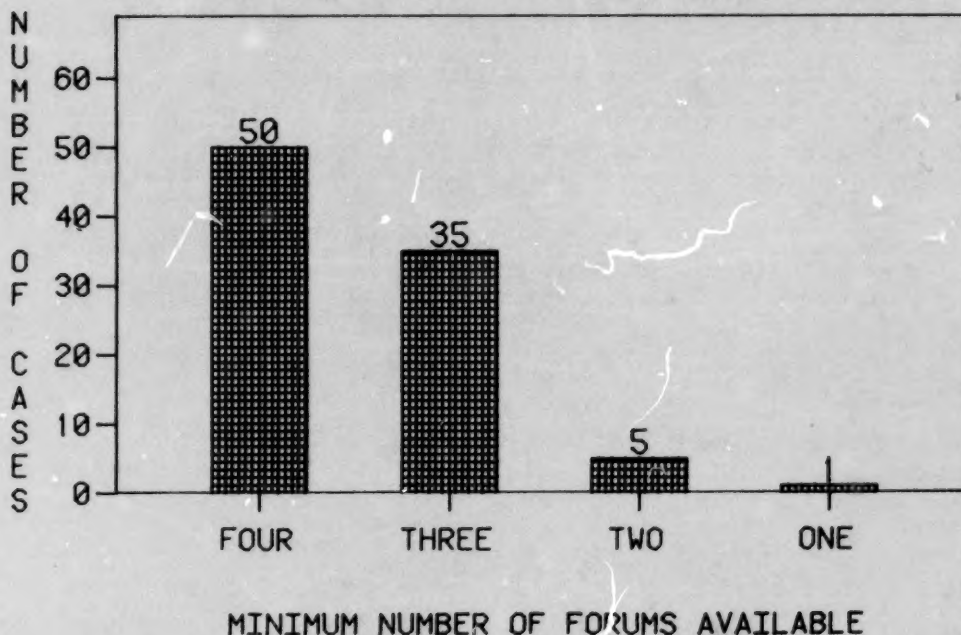
DID STATES USE ONLY FEDERALLY MANDATED OPPORTUNITIES TO SOLICIT PUBLIC INPUT INTO BLOCK GRANT PROGRAM DECISIONS?

No. States offered multiple opportunities for public input which were often in addition to those legislatively mandated. Although there is variation among the block grants, statutes generally call for states to provide one or two types of formal public input opportunities. These include a comment period on states' intended use reports for six of the block grants and, in three block grants, legislative hearings on the proposed use and distribution of block grant funds.

However, as shown in chart 1, states reported offering at least four formal public input forums in 50 of the 91 cases¹ and at least three forums in another 35. These opportunities included executive branch hearings, legislative hearings, commenting on draft intended use reports, and advisory groups' participation. For example, the legislative requirement for MCH mandates that states obtain public comments on their intended use reports. Yet, 10 states also held executive branch hearings, 11 held legislative hearings, and 10 used advisory groups.

¹The 91 cases are derived from the 7 block grants times the 13 states in our study.

CHART 1
FORUMS AVAILABLE FOR PUBLIC INPUT INTO BLOCK GRANT
DECISIONS ACCORDING TO STATE PROGRAM OFFICIALS



Multiple opportunities attracted broad spectrum of involvement and issues

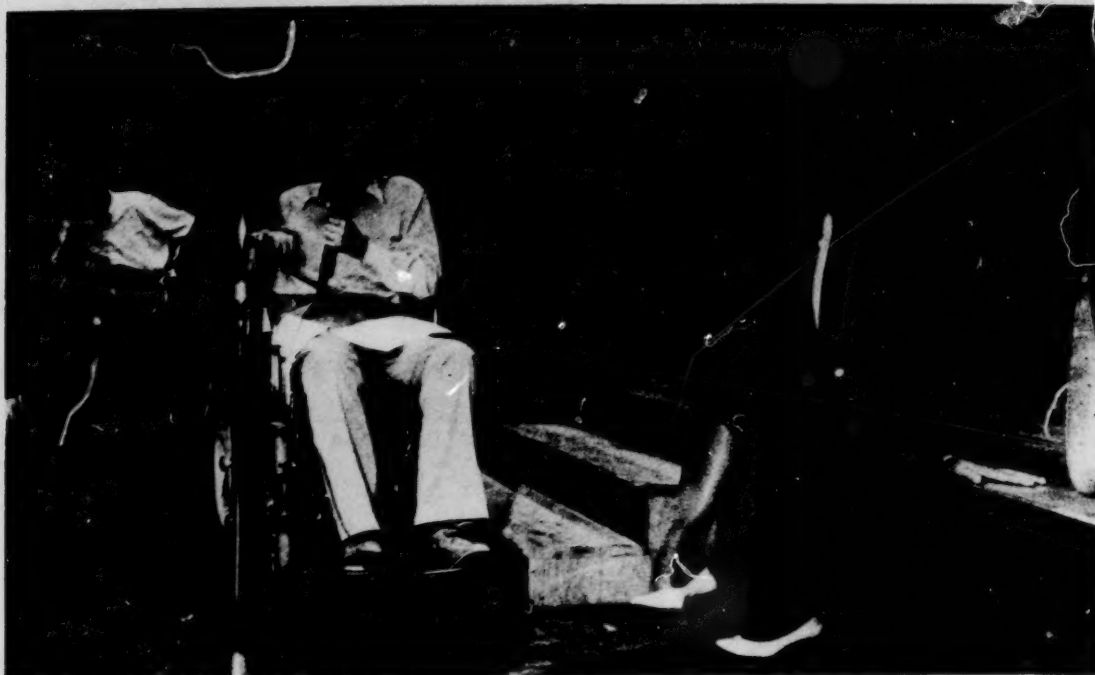
States' use of multiple forums was important because each method attracted a different mix of participants and produced varying degrees of concern on issues.

Table 2 shows that the participation of different groups varied for each public input method. For example, while service providers frequently participated in all four methods, private citizens' involvement differed markedly. According to state program officials, private citizens participated in 80 percent of executive branch-sponsored hearings and were represented on 71 percent of the advisory groups. However, they commented on intended use reports or attended legislative hearings far less often--47 and 46 percent, respectively. Differing levels of participation were also noticed among other groups, such as local governments, minorities, handicapped, the elderly, and other advocacy groups.

Table 2

Percent of Responses Where Various Participants
Were Involved in Different Public Input Forums
According to State Legislative or Program Officials

<u>Participants</u>	<u>Legislative</u> <u>hearings</u>	<u>Executive</u> <u>hearings</u>	<u>Intended</u> <u>use</u> <u>reports</u>	<u>Advisory</u> <u>groups</u>
State legislators	-	42	-	32
Program officials	73	-	-	55
Private citizens	46	80	47	71
Service providers	70	92	84	71
Technical experts	21	64	41	60
Minorities	25	53	36	51
Women	21	36	24	33
Handicapped	30	51	41	40
Elderly	27	53	45	37
Other advocacy groups	48	82	70	-
Local governments	30	62	41	-



Handicapped persons participating in executive branch-sponsored hearings.

Similarly, the degree of concern expressed regarding various issues differed among the four public input forums, as shown in table 3. For example, while the need to maintain or increase funding for specific services was clearly the most frequently raised issue for each input forum, other issues, such as the need to increase or maintain funds for protected groups, surfaced more often in executive branch hearings than in other forums. Likewise, administrative issues, such as changes in beneficiary eligibility, fund distribution methods, methods of service delivery, and administrative procedures, were more frequently raised through advisory groups than in executive or legislative public hearings or in comments on intended use reports.

Table 3

Issues That Were of Great Concern
by Public Input Forum
According to State Legislative or
Program Officials

<u>Issue</u>	<u>Percent of cases where issue was cited at:</u>			
	<u>Legislative</u> <u>hearings</u>	<u>Executive</u> <u>hearings</u>	<u>Draft</u> <u>plans</u>	<u>Advisory</u> <u>groups</u>
Maintain/increase funds for specific services	68	89	76	76
Decrease funds for specific services	2	4	5	17
Maintain/increase funds for geographic areas	21	44	34	33
Decrease funds for geographic areas	1	5	4	8
Maintain/increase funds for protected groups	28	41	28	24
Change beneficiary eligibility	6	10	9	30
Change funds distribution to grantees	21	29	18	42
Change service delivery methods	9	10	8	24
Change administrative procedures	18	8	7	42

DID BLOCK GRANTS PROVIDE NEW PUBLIC HEARING OPPORTUNITIES?

Yes. Block grants prompted states to provide new hearing opportunities in many instances, especially by state legislatures. Only 5 of the 13 legislatures reported holding hearings on any of the prior categorical programs in 1981. For 1983, all legislatures participated in hearings that, in most cases, addressed at least six of the block grants. Likewise, states reported holding executive branch hearings in only 27 percent of the cases for the prior categorical grants. For 1983, states sponsored executive branch hearings in 89 percent of the cases.

The increase in executive branch hearings cannot be attributed to federal requirements because such hearings are not explicitly mandated. However, increased legislative involvement was linked to federal requirements specifying that states hold such hearings. For example, legislative staffs in Colorado and Massachusetts said that the federal requirement for legislative hearings enhanced their involvement by mandating that a hearing be held before the governor could certify compliance with the block grant application requirements. It was, they said, a clear delegation of responsibility to the legislature and gave them leverage to become involved in a process traditionally dominated by governors.

The extent of legislative involvement varied among the states. For example, Kentucky's legislature, which traditionally had limited involvement with federal grants, held hearings and became involved in the implementation process by reviewing block grant applications and reports. On the other hand, in Mississippi, where the legislature was also not traditionally involved in federal aid programs, legislators participated in joint legislative-executive hearings rather than sponsoring their own and, according to legislative staff, generally did not play a major role in block grant implementation.

DID HEARINGS PROVIDE MEANINGFUL OPPORTUNITIES FOR PUBLIC INVOLVEMENT?

There are no commonly agreed upon "bottom line" measures to determine whether such opportunities are meaningful or perfunctory. However, tables 4 and 5 summarize several key items that we believe contribute to hearings being meaningful opportunities for obtaining public input. In general, where hearings were held, more than one hearing was held for each block grant. For executive branch hearings, the public was usually given 2 to 4 weeks' advance notice, and states usually had intended use reports and budget information available before the hearings. Also, executive and legislative hearings were typically held prior to the enactment of state appropriations bills or the beginning of state fiscal years--both of which, we believe, are key points in block grant decision making.

Table 4

Information on Key Items That
Contribute to Hearings Being Meaningful
Opportunities for Obtaining Public Input,
According to State Legislative and Program Officials

	Executive hearings (percent)	Legislative hearings (percent)
<u>Scope of hearings^a</u>		
One block grant	31	20
Several block grants combined	37	22
Block grant(s) and related state-funded programs	28	58
Other	4	-

<u>Location of hearings^b</u>		
State capital	21	71
Outside state capital	79	29

<u>Amount of advance notice of hearing^c</u>		
Less than 1 week	7	1
1 to 2 weeks	13	35
2 to 4 weeks	73	17
More than 4 weeks	7	8
Split ^b		39

<u>Material available before hearing^d</u>		
Copies of draft plans	79	e
Budget information	66	e

^aOur analysis for executive hearings is based on up to six hearings for each block grant. Percentages are based on the 86 legislative hearings and the 80 cases where executive hearings were held by the 13 states.

^bPercentages for executive branch hearings are based on the total number of hearings held in each state for each block grant. Individual hearings may have covered more than one block. Our analysis counted each block as a separate hearing (e.g., if one hearing covered three block grants, we counted it as three hearings). Legislative hearings are based on an actual count.

^cPercentages for executive hearings are based on the 75 cases where information was available. Legislative percentages are based on responses from the 72 legislative hearings where data were available.

^dPercentages are based on the 80 cases where executive branch hearings were held.

^eNot applicable.

There were differences between the executive and legislative branch hearing efforts. The executive branch hearings generally focused more on just block grants. Legislative hearings more often considered related state-funded programs along with the block grant. About three-quarters of the executive branch hearings were outside state capitals, while the opposite was true for legislative hearings. Also, more advance notice was usually provided for executive hearings than for legislative hearings. Finally, as shown in table 5, a higher percentage of legislative hearings were held before key decision-making dates.

Table 5

Timing of Hearings in Relation
to Block Grant Decision Making^a

	<u>Executive hearings</u>	<u>Legislative hearings</u>
Total percent before enactment of state appropriations bill	42	76
Total percent prior to beginning of state fiscal year	68	78
Total percent prior to beginning of federal fiscal year when block grant funds become available for use	96	96

^aExecutive percentages are based on the total number of hearings held in each state for each block grant. Some individual hearings covered more than one block. Our analysis counted each block grant as a separate hearing. Legislative percentages are based on the 72 hearings where data were provided.

Interest groups were generally split in their satisfaction with different aspects of state executive and legislative efforts to obtain public input through hearings. Table 6 shows that they were more satisfied than dissatisfied with the convenience of hearings, the time allotted to block grants at hearings, the amount of advance notice, and the number of hearings held. However, they were more dissatisfied with the amount of information available prior to hearings and the timing of hearings relative to state decision-making processes.

Table 6

Interest Group Satisfaction With
Different Aspects of State
Public Hearing Processes
(out of 534 interest groups
knowledgeable about block grants)

	Percent satis- <u>fied</u>	Percent <u>neutral</u>	Percent dissatis- <u>fied</u>	No. of re- <u>spondents</u>
Time of day, location of hearings	54	20	26	431
Time allotted to block grants at hearings	53	26	21	391
Degree of advance notice	45	14	41	444
Number of hearings	44	22	34	422
Time of hearing relative to state decisions	34	19	47	397
Information available prior to hearings	32	17	51	435

Scope of executive hearings
varied by block grant

While the scope of executive branch hearings varied among states, there also were differences among block grants. In SSBG and the health block grants, where block grant funds are one of several funding sources used to support broader state programs, block grant hearings were combined more frequently with hearings on related state programs than other block grants. Program decisions on these block grant funds generally reflected priorities established during states' overall planning and budgeting processes. However, in cases where block grant funds comprised a larger share of total program dollars, such as CSBG, states usually held separate executive branch hearings for the block grants. Decisions on the use of these block grant funds were generally made separately from other state programs, in part reflecting the absence of state funds for the specific programs funded by block grant moneys.

Legislative hearings did not follow this pattern because most legislatures integrated block grant hearings into hearings for state programs (generally during the appropriations process) or held hearings across all block grants.



Citizen finds block grant hearing gives her an opportunity to be heard.

Planned changes for hearings

States planned few changes to their legislative or executive branch hearing processes for fiscal year 1984. Of the 28 legislative committees responding to our questionnaire, 1 planned to hold fewer hearings, while 2 planned to hold more hearings. Eight planned to hold hearings earlier in the decision-making process. For executive agencies, fewer hearings were planned in 11 of the 91 cases (primarily in Mississippi), while in 7 of the cases, states planned to hold more. In addition, executive branch agencies in 13 of the cases planned to hold hearings earlier in their decision-making processes (primarily in California and Kentucky).

An August 1984 follow-up in four states where, in our judgment, the governor or legislature undertook significant efforts to sponsor separate hearings for block grants showed that two states integrated their block grant hearings with related state-funded programs for fiscal year 1985, and two others, while continuing to hold separate hearings for certain block grants, had reduced the number of hearings for fiscal year 1985.

The California and Texas legislatures sponsored hearings across the block grants, separate from state-funded programs in the first year. In 1984, the Texas Legislative Budget Board integrated hearings for the block grants into the regular budget hearings for state agencies. The California legislature's block grant task force was abolished, and the legislature no longer holds separate hearings addressing the block grants. Instead, input is gathered through executive agency hearings, advisory groups or legislative budget hearings. The process used varies by block grant; however, it is often done in conjunction with related state programs.

Pennsylvania and Mississippi, where the governors' offices played an active role in block grant decisions, continued to hold hearings separate from state programs. However, they held fewer hearings. Mississippi reduced the number of block grant hearings from five to one between 1983 and 1984. Likewise, in Pennsylvania the number of hearings held concerning the health block grants decreased from 12 to 8 during that period.

DID ADVISORY GROUPS AND TASK FORCES PLAY A SIGNIFICANT ROLE IN BLOCK GRANT IMPLEMENTATION?

Yes. While only the education block grant requires the appointment and use of a state advisory group, all states used such groups for other block grants. In fact, there were only 15 of 91 cases where an advisory group was not used.²

State program officials reported that advisory group recommendations led to program decisions more frequently than public input obtained from other sources. Program officials noted that

²Seventy-six of the 91 program officials said they used advisory committees or task forces. We asked them to provide information about up to four committees in each state for each program. Officials reported on 139 committees, and our analysis is based on this number. However, the actual number could be different because there may have been more than four committees in some cases. Also, because we obtained information separately for each block grant in each of the 13 states, officials responsible for different programs may have been reporting on the same committees.

advisory committee recommendations led to specific program decisions in 68 percent of the 76 cases where advisory groups were used--more often than public hearings or comments on intended use reports. Such recommendations were related to funding in 52 percent of the cases, while many of the remainder addressed procedural or administrative issues. For example, the California block grant task force, which examined all of the block grants, recommended standard state and local reporting formats to develop data on budgets, program effectiveness, and administrative costs.

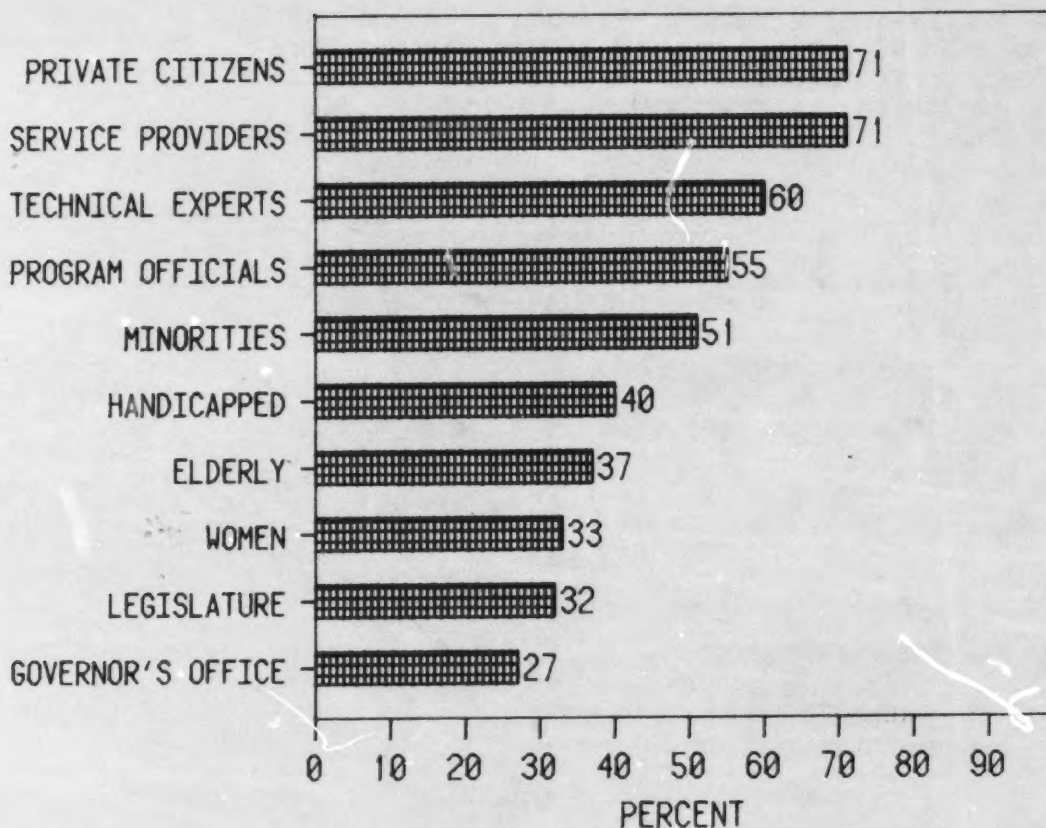
In over half the 76 cases where advisory committees were used, states had more than one advisory committee for each block grant. The education block grant had the fewest committees; ADAMH had the most. And in one-third of the 139 advisory groups, the committees focused their attention on a single block grant--most frequently for ADAMH, CSBG, and education. The scope of other advisory committees or task forces included other block grants and/or related state-funded programs. For example, six of the seven block grants in Mississippi were implemented by a special task force, while in Vermont, a preexisting advisory group addressed the health block grants in the context of all state health programs.



The usefulness of advisory committees was highly rated by both state program officials and interest groups.

With regard to the selection of advisory committee members, the governor was the key decision maker for PHHS, LIHEA, education, and the drug and mental health components of ADAMH. Agency officials were primarily responsible for appointments to MCH, SSBG, CSBG, and the alcohol component of ADAMH. As shown in chart 2, private citizens and service providers were represented on 71 percent of the advisory committees in the 13 states. They were followed by technical experts and program officials. Less frequently represented were members of the state legislature and representatives of the governor's office.

CHART 2
PERCENT OF ADVISORY COMMITTEES WITH
REPRESENTATION FROM KEY GROUPS



Interest groups were generally more satisfied than dissatisfied with the role and composition of state advisory groups. Forty-five percent of 358 interest group respondents were satisfied with the role of advisory committees, while 34 percent were dissatisfied. Further, 47 percent of 360 respondents were satisfied with their composition and 31 percent were dissatisfied.

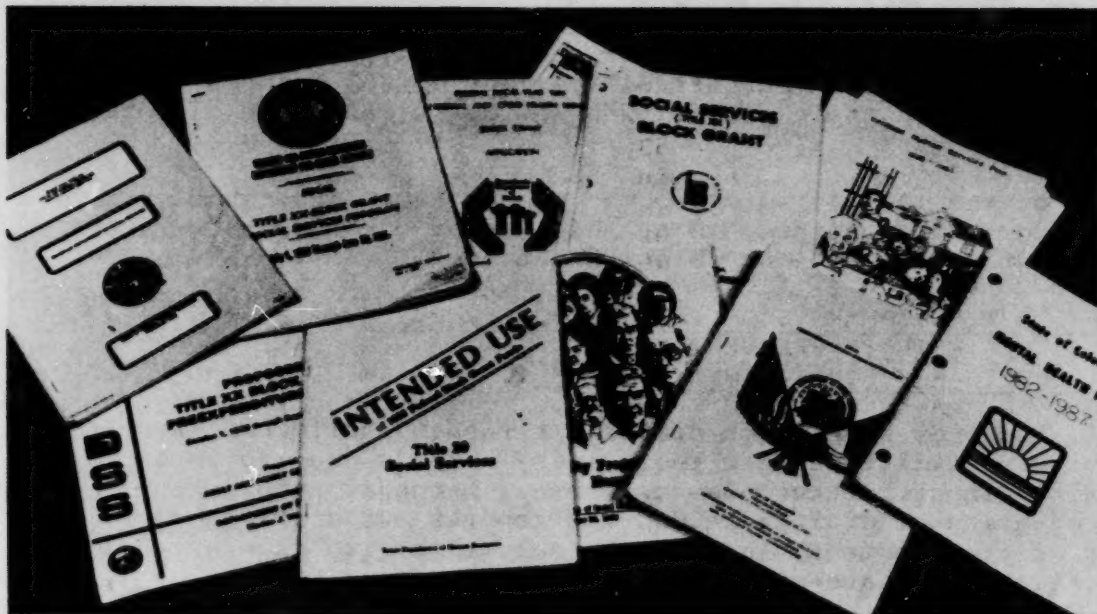
Of the 139 advisory groups, states had discontinued, or planned to discontinue, 18 at the time of our fieldwork--most frequently for the ADAMH block grant.

WERE WRITTEN COMMENTS ON INTENDED USE REPORTS
AND OTHER METHODS FREQUENTLY USED
AS SOURCES FOR PUBLIC INPUT?

Yes, for some block grants. Although public hearings and advisory committees were the primary methods used to obtain citizen input, states also used other methods, such as the circulation of draft intended use reports and draft regulations for written comment, informal consultation with interested parties, and state-sponsored conferences or meetings.

For most block grants, federal law requires that copies of intended use reports be made available for public comment. In nearly three-quarters of the cases, state program officials took the initiative to send copies to interested parties. Generally, state officials also sent copies to interested parties on request or made them available at state offices or other public places. In 42 percent of the cases, officials said that information obtained through comments on intended use reports led to specific decisions on the allocation of funds or administration of block-grant-supported programs.

The use made of intended use report comments in state decisions, however, varied by block grant. Program officials used comments for the CSBG and LIHEA block grants in over 60 percent of the cases where intended use reports were distributed. On the other hand, only one-third or less did so for SSBG and the health block grants. In program areas where states integrated block grant decision making into the broader decision-making process for related state-funded programs (health block grants or SSBG), intended use reports were not as important a decision-making document. For example, Colorado allocates PHHS funds and funds from other sources to specific programs during the state's health planning and budgeting process and then prepares its intended use report after the state budget is passed.



All states offered the public opportunities to comment on draft intended use reports.

On the other hand, the decision-making process for CSBG is not usually integrated with state programs, in part because this area is predominantly federally supported. As a result, intended use reports are generally a key planning and decision-making document.

Interest group satisfaction with state efforts to solicit comments on intended use reports was, like for public hearings, split. Table 7 shows that interest groups were slightly more satisfied than dissatisfied with the availability of copies of intended use reports and the length of the comment period, but more were dissatisfied than satisfied with the timing of the comment period in relation to when states made their block grant program decisions.

Additionally, 68 percent of the interest groups responding to our questionnaire were satisfied with the accessibility of state officials for informal consultation on block-grant-related issues. CSBG and LIHEA program officials also made greater use of comments on draft regulations and state-sponsored conferences and meetings than was the case for other block grants.

Table 7

Interest Group Responses Regarding Their
Satisfaction With State Efforts
to Solicit Public Input Through
Comments on Intended Use Reports
(out of 534 interest groups
knowledgeable about block grants)

	<u>Percent</u> <u>satis-</u> <u>fied</u>	<u>Percent</u> <u>neutral</u>	<u>Percent</u> <u>dissat-</u> <u>isfied</u>	<u>No. of</u> <u>respon-</u> <u>dents</u>
Report availability	43	20	37	438
Length of comment period	42	25	33	403
Timing of comment period	35	21	44	392

At the time of our fieldwork, program officials in about two-thirds of the cases did not plan to change how they solicited comments on intended use reports for fiscal year 1984. However, in 15 of the 91 cases, program officials said they planned to request comments from more groups and individuals, and 19 intended to request these comments earlier in the decision-making process.

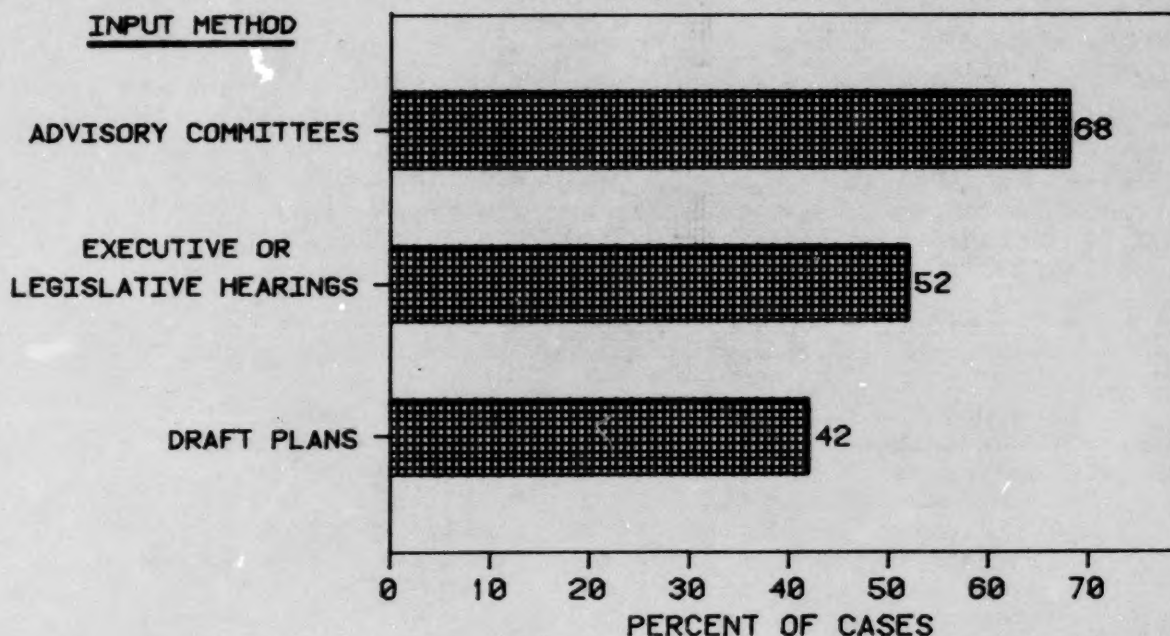
TO WHAT EXTENT DID STATES USE PUBLIC
INPUT IN THEIR DECISION-MAKING PROCESS?

State program officials reported that information from public input methods led to executive or legislative block grant program decisions in 67 of the 91 cases. For example:

- Concerns raised during executive hearings and in written comments on Florida's draft state plan for SSBG led to a geographic redistribution of day care funds that was considered more equitable.
- Michigan's legislative hearings led to a \$4 million allocation of LIHEA funds for weatherization aid--something not originally proposed by that state's Department of Social Services.
- Recommendations by ADAMH advisory groups in Washington led to revisions of a proposed distribution formula giving more weight to population factors.
- Input from the governor's education advisory committee in Texas led to an increase in desegregation expenditures from the state's share of the education block grant funds.

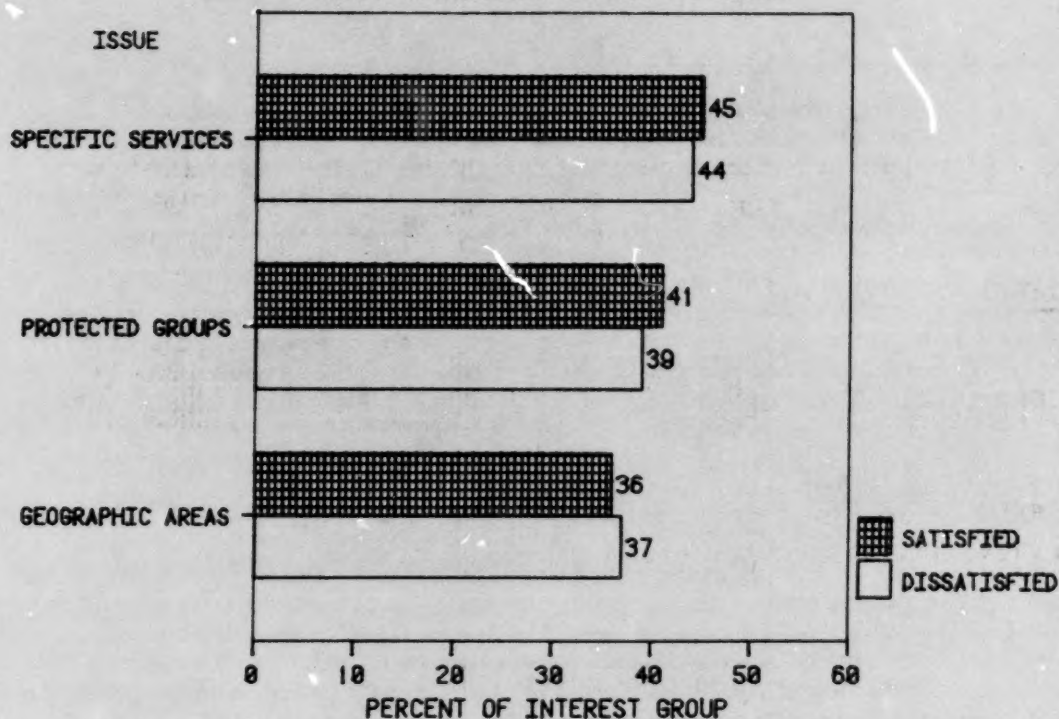
State program officials said they made greater use of information obtained through their self-initiated methods for obtaining citizen input, chiefly advisory committees, than those methods required by the block grant legislation. Chart 3 shows, for those cases where the specified methods were used, the percent in which the methods influenced program decisions.

CHART 3
STATE PROGRAM OFFICIALS' OPINIONS ABOUT
THE PERCENT OF CASES IN WHICH PUBLIC INPUT
INFLUENCED PROGRAM DECISIONS



When asked about the general responsiveness of states to three issues most frequently cited to be of great concern, by both state officials and interest groups, the interest groups in our survey were fairly evenly divided. As chart 4 illustrates, the interest groups were split in their assessment of states' actions to maintain or increase funds for specific services, protected groups, and geographic areas.

CHART 4
INTEREST GROUP GENERAL SATISFACTION WITH
STATES' RESPONSES TO MAINTAINING OR INCREASING
FUNDS FOR ISSUES OF GREAT CONCERN



Different interest group characteristics help explain the split in interest group assessments of these key concerns. For example, state-wide interest groups that responded said, for each of the issues shown in chart 4, that they were generally more satisfied than dissatisfied when compared to responses from substate groups. This was especially true with the need to maintain or increase funding for populations protected by civil rights legislation, such as minorities, the handicapped, and the elderly. Organizations that included protected groups among their constituencies were also more dissatisfied with state efforts on this issue than other groups--47 percent versus 34 percent.

In addition, of the interest groups that responded, those that were generally satisfied with state efforts to provide opportunities for public input were also more satisfied with state responses to issues of concern to them. More specifically, interest groups in several states where program officials

said they frequently incorporated citizen comments into their decision-making processes were generally more satisfied with state responses to issues of concern to them than in several other states where program officials said they infrequently relied on public input.

DID BLOCK GRANTS INCREASE THE INVOLVEMENT OF
STATE ELECTED OFFICIALS AND INTEREST GROUPS?

Yes. Many governors and legislatures were reported to be more involved in program decisions for block grants than they were under the prior categorical programs. In addition, interest groups had generally increased their levels of involvement with state executive and legislative officials.

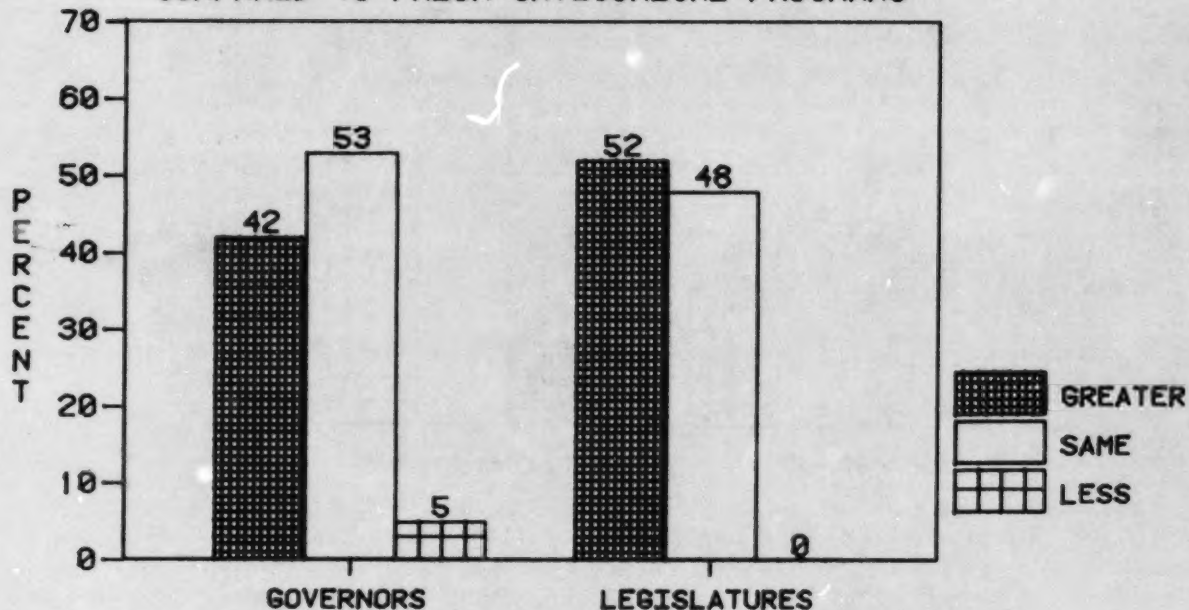
While there were many factors at work, the increased involvement by both state elected officials and interest groups may be partially attributed to federal requirements mandating public input and specifying gubernatorial or legislative involvement in block grant implementation. However, as discussed earlier, states' initiatives generated other opportunities.

Block grants stimulated involvement
of legislatures and governors

We asked state program officials responsible for each block grant to compare gubernatorial and legislative involvement in the block grants with their involvement in the prior categorical programs. Chart 5 shows that gubernatorial and legislative involvement increased in about half the cases, with state legislatures showing the greatest increase.

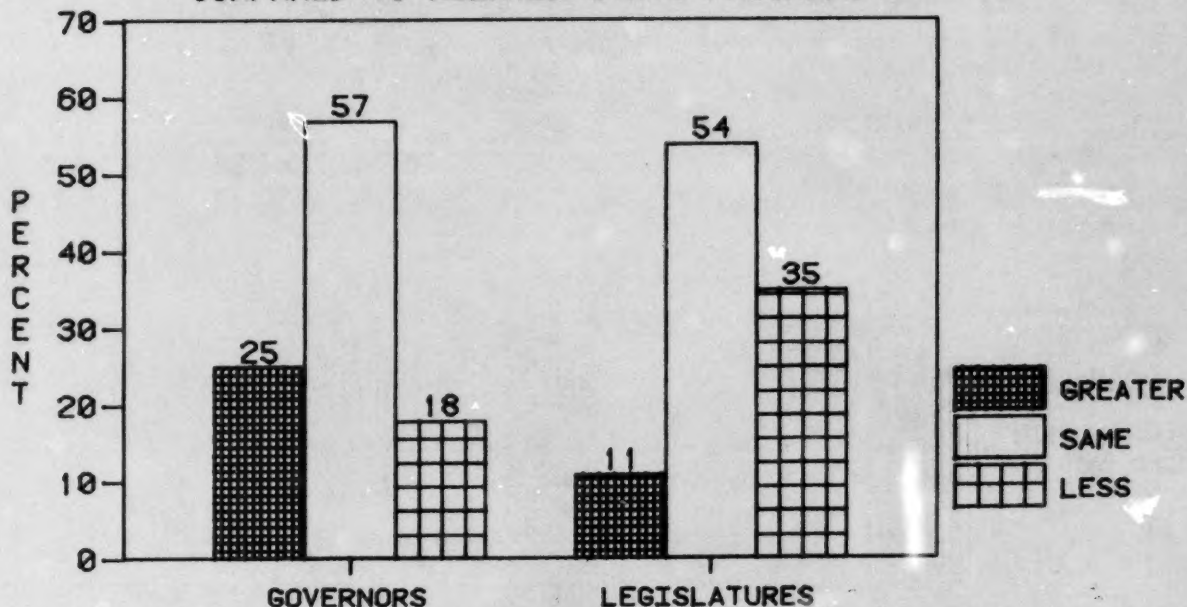
While legislatures in many states throughout the country had been increasing their oversight of federal funds prior to 1981, block grants have accentuated this trend. As a direct result of block grants, for instance, Kentucky's legislature established a process requiring legislative approval of block grant applications.

CHART 5
STATE PROGRAM OFFICIALS' OPINIONS ABOUT THE
CHANGE IN GUBERNATORIAL AND LEGISLATIVE
INVOLVEMENT WITH BLOCK GRANTS AS
COMPARED TO PRIOR CATEGORICAL PROGRAMS



When compared to their levels of involvement with their own state-funded programs (see chart 6), block grant funds were being accorded the same or greater levels of attention as state programs in about 82 percent of the cases for governors and 65 percent of the cases for legislatures.

CHART 6
STATE PROGRAM OFFICIALS' PERCEPTIONS
REGARDING THE LEVELS OF GUBERNATORIAL AND
LEGISLATIVE INVOLVEMENT WITH BLOCK GRANTS
COMPARED TO RELATED STATE PROGRAMS



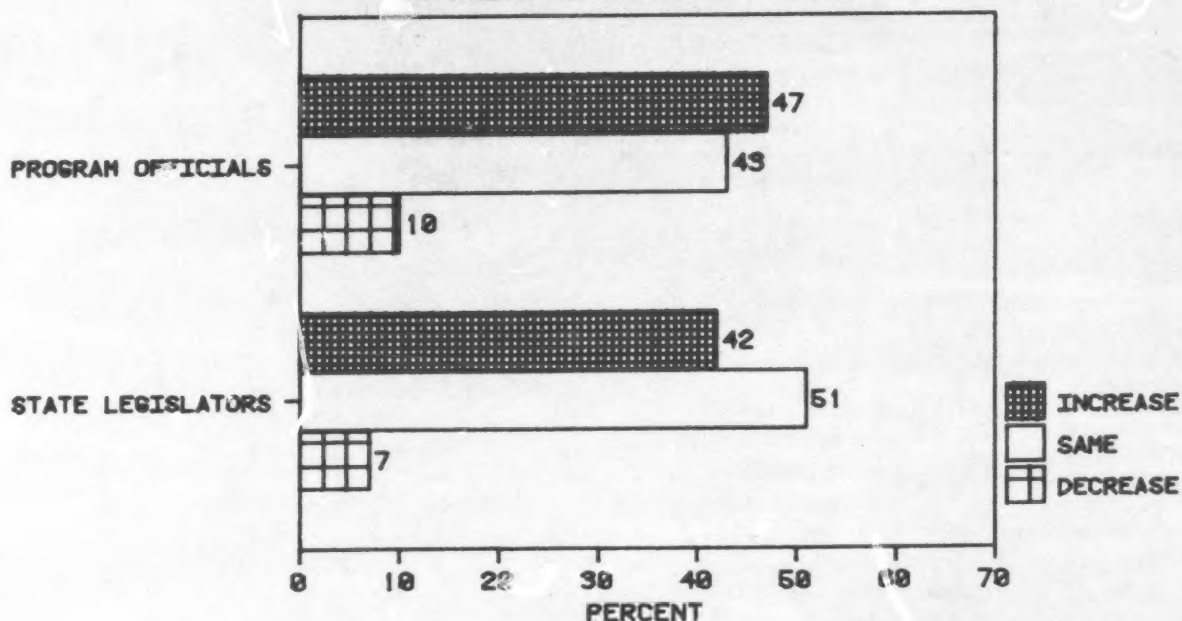
Gubernatorial and legislative involvement varied among the states. These variations were related, among other things, to different levels of involvement by governors and legislatures in their own state-funded programs. In states where governors or legislatures had high levels of involvement with related state-funded programs, they usually were more involved with block grants. But in states with low gubernatorial or legislative involvement in related state programs, they tended to be less involved in block grants.

Interest groups also
increased involvement

Parallel to the expanded involvement of governors and legislatures was the increased activity by interest groups within a state. Much of the increased activity occurred among existing and not new interest groups. Of the responding interest groups that indicated some knowledge of block grants, only 7 percent were new since block grant implementation.

Chart 7 shows that many interest groups reported being more active under the block grant approach at the state level than under the prior categorical programs. About 47 percent said they increased their level of activity with state agency program officials and 42 percent with state legislators. The largest increases occurred for the block grant with the least prior state involvement, CSBG, where 52 percent increased their levels of activity with program officials and 48 percent with the legislature. One interest group in California said that the state has assumed greater responsibility for and awareness of programs and services to low-income people and the state legislature has also demonstrated greater awareness and concern for antipoverty programs funded by CSBG.

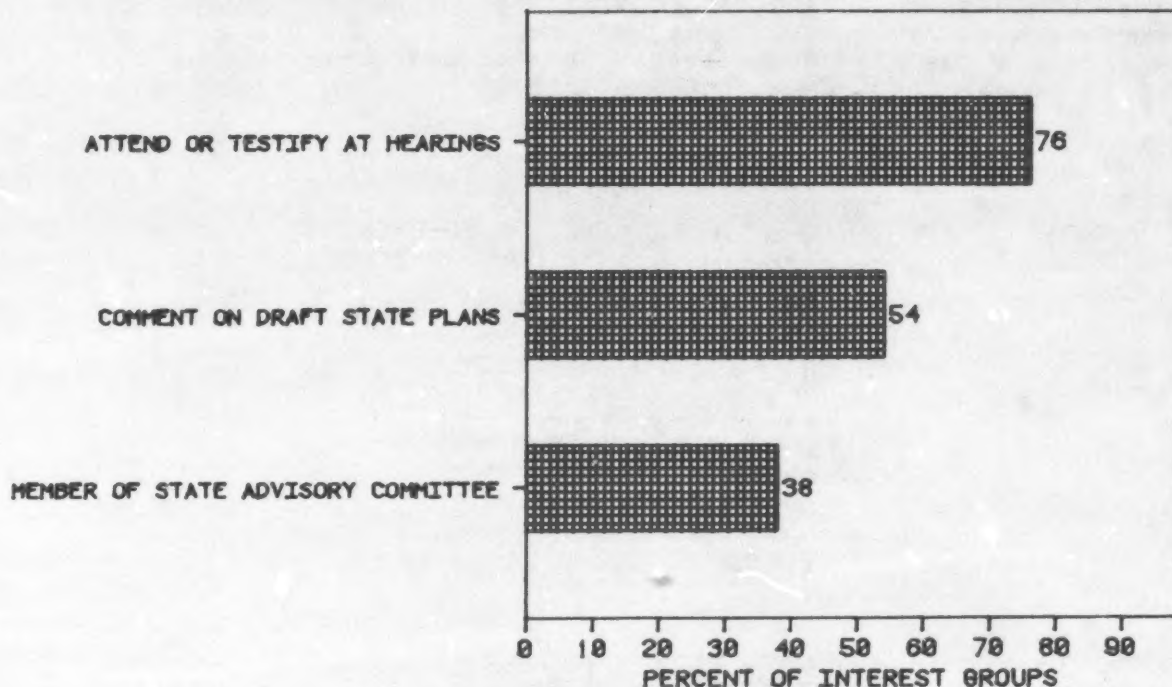
CHART 7
CHANGES IN THE LEVEL OF INTEREST GROUP
INTERACTION WITH STATE PROGRAM OFFICIALS AND
STATE LEGISLATORS WITH BLOCK GRANTS COMPARED
TO PRIOR CATEGORICAL PROGRAMS



Interest groups were involved in a wide range of activities to learn about and influence block-grant-funded programs. Some said they became more involved because of new state processes.

For example, a Florida group told us that as a direct result of block grant public input methods, advocacy/citizen and client interest groups have been involved in the public participation process.

CHART 8
FORMAL FORMS OF INTEREST GROUP
INVOLVEMENT IN BLOCK GRANT IMPLEMENTATION

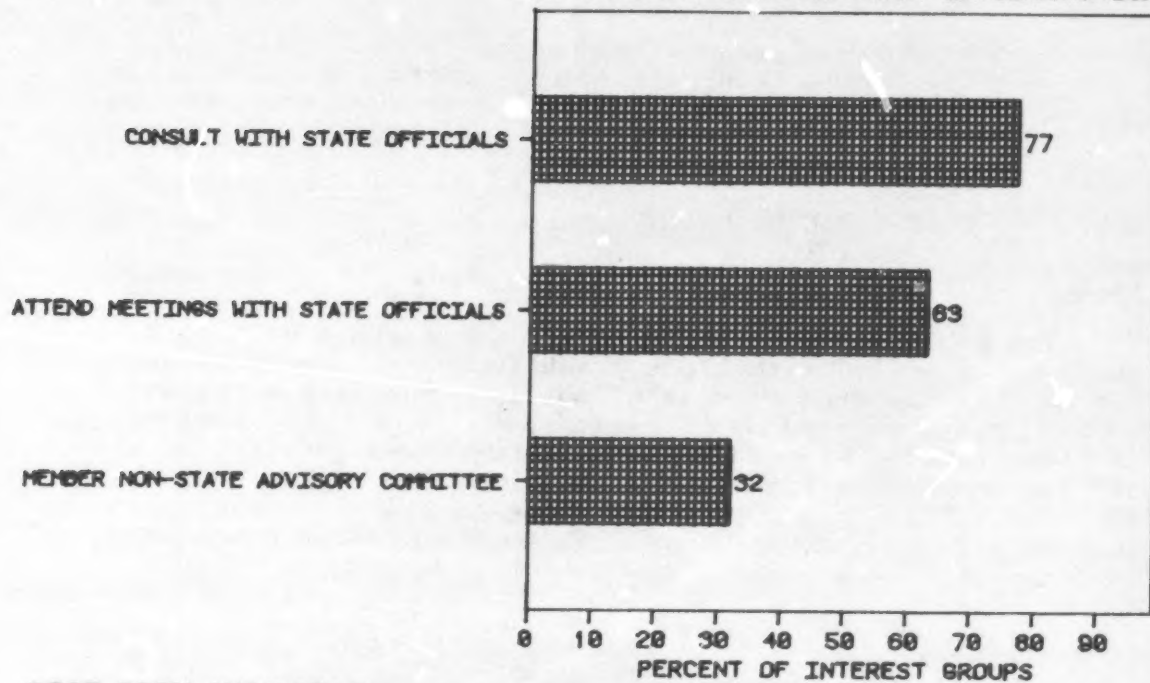


Interest group activities can be divided into two categories--efforts to be involved through formal state public input methods and informal contacts with state officials. As shown in chart 8, public hearings were the formal input methods where interest groups were most frequently involved, while consultations with state officials was the most frequently used informal method, as shown in chart 9.



Hearings were methods where interest groups and citizens were most frequently involved.

CHART 9
INFORMAL FORMS OF INTEREST GROUP
INVOLVEMENT IN BLOCK GRANT IMPLEMENTATION



BEST COPY AVAILABLE

HOW DID INTEREST GROUPS VIEW STATE EFFORTS TO SOLICIT THEIR INPUT?

Interest groups were generally split in their satisfaction with state efforts to solicit input. In an effort to understand the differing responses among interest groups, as shown in appendix III, table A3, we examined the data in several ways. We first looked for differences related to individual block grants, but found that interest groups responding to questions for more than one block grant often responded the same for each block grant.

We also looked at interest group characteristics. As appendix III shows, in detail, different interest group attributes did help explain some of these differences in their satisfaction with state processes:

- *Those groups who actively participated in hearings, commented on intended use reports, etc., were generally less critical of state processes than those groups not actively involved.
- *State-level interest groups were generally more satisfied than county-level interest groups with state processes.
- *Those interest groups representing individuals were generally more dissatisfied than those representing government officials or agencies, for-profit and/or nonprofit organizations.
- *Those interest groups that included ethnic minorities among those they represented were generally more dissatisfied than other groups.
- *Those interest groups that generally found block grants more desirable than categorical grants and/or perceived that state decisions on block grants favorably affected those they represented were more satisfied with state efforts to solicit public input.

WHAT CONCLUSIONS CAN BE DRAWN ABOUT PUBLIC PARTICIPATION IN THE BLOCK GRANT PROCESS?

The public's opportunity to influence state decisions for programs supported with block grant funds has been enhanced through the combined effects of multiple public participation opportunities offered by the states, the increased involvement of state elected officials, and the increased activity of interest groups at the state level. This increase is related to the expanded public input opportunities established both in response to federal requirements as well as to the greater discretion available to the states.

Encouraging increased public oversight is in harmony with the principles of the block grant approach. In our opinion, federal public participation requirements that currently exist also would be beneficial for future block grants. Such requirements, in conjunction with states' own methods, have promoted multiple opportunities for public involvement and created settings where different degrees of emphasis were placed on a wide variety of issues.

SERIES OF GAO REPORTS ON THE
IMPLEMENTATION OF BLOCK GRANTS CREATED
BY THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981

States Are Making Good Progress in Implementing the Small Cities Community Development Block Grant Program (GAO/RCED-83-186, Sept. 8, 1983)

Maternal and Child Health Block Grant: Program Changes Emerging Under State Administration (GAO/HRD-84-35, May 7, 1984)

States Use Added Flexibility Offered by the Preventive Health and Health Services Block Grant (GAO/HRD-84-41, May 8, 1984)

States Have Made Few Changes in Implementing the Alcohol, Drug Abuse, and Mental Health Services Block Grant (GAO/HRD-84-52, June 6, 1984)

States Fund an Expanded Range of Activities Under Low-Income Home Energy Assistance Block Grant (GAO/HRD-84-64, June 27, 1984)

States Use Several Strategies to Cope With Funding Reductions Under Social Services Block Grant (GAO/HRD-84-68, Aug. 9, 1984)

Community Services Block Grant: New State Role Brings Program and Administrative Changes (GAO/HRD-84-76, Sept. 28, 1984)

Federal Agencies' Block Grant Civil Rights Enforcement Efforts: A Status Report (GAO/HRD-84-82, Sept. 28, 1984)

Education Block Grant Alters State Role and Provides Greater Local Discretion (GAO/HRD-85-18, Nov. 19, 1984)

DESCRIPTION OF GAO'S DATACOLLECTION METHODOLOGY

To obtain information concerning the implementation and administration of block grants in 13 states, we collected data from state program officials, the governors' offices, the legislature, and interest groups associated with block grants within each state.

We used the results from six sets of questionnaires sent to

--governors' offices,

--state program officials,

--state legislative leadership,

--state legislative committees,

--state legislative fiscal officers, and

--interest groups within states.

The approach we generally took with these questionnaires was to ask about the respondent's specific experience with each block grant and then ask some questions about general impressions and views concerning the block grant concept.

The primary focus of this study was at the state level; thus most of our data collection took place there. Questionnaires to state officials asked them to describe, among other things, the forums provided to allow public input into block grant decision making. The questions in the interest groups questionnaire concerned the groups' views on how the state solicited public input and their satisfaction with state block grant decisions.

The questionnaires were pretested and externally reviewed prior to their use. The extent of pretest and review varied with the questionnaire, but in each case one or more state officials or organizations knowledgeable about block grants provided their comments concerning the questionnaire.

The following sections describe each questionnaire, including information on the source of the data and the method used to administer the instrument.

PROGRAM OFFICIALS QUESTIONNAIREContent

This questionnaire was designed to elicit information about the administration of the block grant. It asked state program officials about six areas of block grant implementation. One of these areas focused on the procedures used to obtain the views of citizens and other interested groups. In this section, we asked 38 questions regarding state efforts to provide opportunities for public input through hearings, advisory committees, comments on draft plans, and other methods. We also asked state officials how important they believed these various input mechanisms were in their program decision-making processes.

Source of information

The questionnaires were completed by senior level program officials who had primary responsibility for administering the block grants in the 13 states included in our study. We specified in the questionnaire that the responses should represent the official position of the program office. We received completed questionnaires for each of the seven block grants from the 13 states.

Method of administration

We identified the senior program official in each state and delivered the questionnaire to the office of that official. The state program official was asked to complete the questionnaire with help, if necessary, from other staff, and return the questionnaire to our representative. When certain responses were given, follow-up questions were asked to obtain additional information.

GOVERNOR'S OFFICE QUESTIONNAIREContent

This questionnaire focused on the role played by the governor and his or her office in implementing and administering the block grant. Questions included were

- how much the governor was involved in the decision-making process regarding block grant funding and administration,
- what the governor did to obtain information or exercise control over the setting of state program priorities,

--whether there were any changes anticipated in the way the governor will exercise control in the future,

--if additional federal technical assistance would have been useful, and

--what the governor's general impression was about block grants.

Source of information

The questionnaire was completed by the governor or a representative designated by the governor in each of the 13 states.

Method of administration

The questionnaires were mailed directly to the governors, with all governors or their designated representatives responding. When complete, the questionnaires were returned to our staff.

STATE LEGISLATIVE LEADERSHIP QUESTIONNAIRE

Content

This questionnaire was used to obtain information about the perceptions of state legislative leaders concerning block grants. The questions asked legislative leaders included

--how block grants affected the way in which the state legislature set program priorities and funding priorities,

--what the major benefits were of funding programs through block grants,

--how block grants could be improved, and

--what their general impressions were about block grants.

Source of information

We compiled a list of legislative leaders based on a publication by the Council of State Governments, State Legislative Leadership; Committees and Staff, 1983-84. Generally there were four per state: the presiding officer of the senate, the senate minority leader, the speaker of the house, and the house minority leader. A total of 48 questionnaires were administered and 40 completed questionnaires were returned for a response rate of

83 percent. We received at least one response from each of the 13 states.

Method of administration

We delivered the questionnaire to the offices of each state's legislative leaders. We asked that they complete the questionnaire and return it to our staff.

STATE LEGISLATIVE COMMITTEES QUESTIONNAIRE

Content

The questionnaire requested information about public hearings concerning block grants held by committees of the state legislature in the 13 states. Questions included were

- how many hearings were held, and where,
- who sponsored the public hearings,
- what mechanisms were used to inform citizens that hearings were being held,
- who testified at the hearings, and
- what concerns were expressed.

Source of information

We attempted to identify those committees in each state that held public hearings for the 1983 block grants. The questionnaires were completed by senior committee staff responsible for organizing public hearings on block grants. All 28 committees that received the questionnaire completed and returned it.

Method of administration

We delivered the questionnaire to each legislative committee that held public hearings for block grants in 1983. A senior committee staff member was requested to complete the questionnaire and return it to our staff. We followed up on selected questions for additional information.

STATE LEGISLATIVE FISCAL OFFICER QUESTIONNAIREContent

The purpose of this questionnaire was to obtain information about the procedures used by the state legislatures to control and monitor block grant programs. Specifically, we asked

- what controls or monitoring mechanisms the state legislature has and whether they have changed since block grants were implemented by the state,
- how block grant funds are appropriated,
- whether public hearings led to changes in the use of block grant funds,
- what role the legislature played in changing executive agencies' block grant plans or proposals, and
- what the fiscal officer's general impressions were about block grants.

Source of information

Legislative fiscal officers are generally the directors of the permanent, professional staffs of state legislatures. To identify the appropriate staff persons to whom we should direct our questionnaire, we sought the assistance of the National Conference on State Legislatures, the National Association of State Fiscal Officers, and the Council of State Governments.

Method of administration

Our staff delivered 19 questionnaires to fiscal officers in the 13 states. Seventeen were completed and returned, for an 89-percent response rate. Each of the 13 states was represented in our responses. We followed up on selected questions for additional information.

INTEREST GROUP QUESTIONNAIREContent

This questionnaire asked various interest groups about

- their involvement with and perceptions of block grants,

- their perceptions about the state's efforts to solicit and incorporate citizen input into state program decisions made on block grants, and
- their views as to the impact of changes made by the state on the people they represented.

Source of information

The names and addresses of interest groups were obtained from several sources. Initially we contacted about 200 national-level organizations and asked if they had state affiliates that might have dealt with the implementation of the block grants. If so, we requested the names and addresses of those affiliates. The list of 200 national-level organizations was compiled from lists developed by staff, from mailing lists of organizations interested in specific block grants compiled by the Department of Health and Human Services, and from the staff of the Coalition on Block Grants and Human Needs, a private organization with extensive knowledge about block grants.

This list was supplemented, where possible, by lists of interest groups compiled from attendance rosters kept by state agencies during the course of their public hearings. The availability and usefulness of these lists varied by state.

Once an initial list was compiled, we sent it to our staff in each of the 13 states. They, in turn, showed these lists to state officials involved with the block grants and to a small, diverse group of the interest groups on the lists. These groups provided corrections and recommended additions of groups that they felt were active in block grant implementation but were not on the list we had initially compiled.

The results of the selection process were not intended to be viewed as either the universe of interest groups knowledgeable about block grants or a representative sample of interest groups for any state or block grant. We believe, however, the groups we contacted provided a diverse cross-section of organizations knowledgeable about block grant implementation.

Method of administration

Questionnaires were mailed to the identified public interest groups with an enclosed, stamped, preaddressed envelope. A follow-up letter and questionnaire were sent to those who failed to respond within 3 weeks after the initial mailing.

Of the 1,662 groups on our final list, 786 returned completed questionnaires, for a 47-percent response rate. Of the completed questionnaires, 534 indicated that they had at least some knowledge of the implementation of at least 1 block grant in the state in which their organization was located. As table A1 shows, most indicated they knew something about more than one block grant. As a result, we had 1,695 responses on which to base our analysis. Table A2 shows the distribution of these responses between the block grants.

Table A1

Number of Interest Group Respondents Who
Were Knowledgeable About One or More Block Grants
 (out of 534 interest groups)

Knowledgeable about 1 block grant	158
Knowledgeable about 2 block grants	90
Knowledgeable about 3 block grants	89
Knowledgeable about 4 block grants	60
Knowledgeable about 5 block grants	35
Knowledgeable about 6 block grants	39
Knowledgeable about 7 block grants	63

Table A2

Number of Responses by Interest Groups
by Block Grant
 (out of 1,695 responses)

Alcohol, drug abuse, and mental health services	255
Community services	239
Education	179
Low-income home energy assistance	223
Maternal and child health	249
Preventive health and health services	234
Social services	316

Sixty-eight percent of the 534 interest groups knowledgeable about block grants included service providers among those that they represented. Of the 512 that responded regarding geographic scope of their activities, 61 percent (310) said they were statewide in scope; the rest were local or regional.

ANALYSIS OF INTEREST GROUP
CHARACTERISTICS RELATED TO DIFFERENCES IN
INTEREST GROUP SATISFACTION
WITH STATE INPUT PROCESSES

Forty-two percent of the interest groups in our survey said they were generally satisfied with state efforts to obtain public input and 44 percent were generally dissatisfied. To identify factors that might explain this split, we divided the interest group respondents into subpopulations based on various characteristics and then reexamined their satisfaction levels with state efforts to see if the subpopulations differed in their responses. The subpopulations were based on the following characteristics:

1. Were those interest groups who actively participated in providing input through state-sponsored processes more satisfied with state efforts to obtain public input than those who did not provide input?
2. Were statewide interest groups more satisfied with state efforts than county-level interest groups?
3. Were those interest groups representing organized groups, such as for-profit and nonprofit organizations, and government officials and agencies, more satisfied with state efforts than those interest groups representing individuals?
4. Were interest groups that did not include ethnic minorities among those they represented more satisfied than those groups that did represent ethnic minorities?
5. Were interest groups who felt their constituencies were favorably affected by state decisions regarding the implementation of the block grants more satisfied with state efforts to obtain input than those interest groups who believed their constituencies were adversely affected?
6. Were interest groups who saw block grants as more desirable than the prior categorical grants more satisfied with state efforts to obtain input than those interest groups who saw block grants as less desirable?

In each case, the answer is "yes," as is shown in the following tables. However, because of the nature of the data, we were unable to establish which, if any, of the factors were most important in their satisfaction levels.

CREATION OF A COMPOSITE INDEX
TO SUMMARIZE INTEREST GROUP
SATISFACTION WITH STATE EFFORTS
TO PROVIDE INPUT OPPORTUNITIES

Table A3 shows each of the items for which we asked interest group perceptions. In later tables we summarized these items into a single composite. The composite is designed to consolidate a possible 91 cells of data (based on 13 aspects of the public input mechanisms times the 7 block grants for which interest groups might have responded).

The methodology used to collapse these 91 cells is as follows:

1. All valid responses were collapsed into three satisfaction categories for each of the 13 data items: generally satisfied, generally neutral, or generally dissatisfied. This was necessary only in cases where interest groups responded that they were knowledgeable about more than one block grant. If responses across the block grants could not be generalized (however, most groups answered similarly across all of the block grants for which they responded) then the case was dropped from the analysis.
2. The frequency of general satisfaction, etc., was computed for each of the 13 items. In those instances where a satisfaction indicator had a frequency 20 percent greater than the other two indicators, the constructed variable was assigned the satisfaction level of that indicator. For example, if the responses for interest group A were summarized as 60 percent "satisfied," 20 percent "neutral," and 20 percent "dissatisfied," then that group would be classified as generally satisfied. In the event that none of the satisfaction indicators had a frequency of 20 percent greater than the other two indicators, the collapsed variable was dropped from the analysis.

Table A3

Interest Group Responses Regarding Satisfaction
With State Methods for Facilitating Public Input Into
Block Grant Decisions
(out of 534 interest groups)

	<u>Percent</u> <u>satisfied</u>	<u>Percent</u> <u>dissat-</u> <u>isfied</u>	<u>Number of</u> <u>respondents</u>
Hearings:			
Time of day, location of hearings	54	26	431
Time allotted to block grants at hearings	53	21	391
Degree of advance notice	45	41	444
Number of hearings held	44	35	422
Time of hearing relative to state's allocation decision-making process	34	47	397
Availability of information prior to hearings	32	51	435
Comments on state plans:			
Availability of copies of state intended use reports	43	37	438
Length of comment period on state plan	42	33	403
Timing of comment period relative to state's allocation decision-making process	35	44	392
Advisory committees:			
Composition of advisory groups	47	31	360
Role of advisory groups	45	34	358
Informal contact:			
Accessibility of state officials for informal contact on block grants	68	15	419
Composite percentages (collapsing all of the above factors into a single factor)	42	44	490

Table A4

Comparison of Responses of Active vs. Inactive
Interest Groups Regarding Satisfaction
With State Methods for Facilitating Public Input Into
Block Grant Decisions
(out of 534 interest groups)

	<u>Percent of</u> <u>active</u> <u>interest</u> <u>groups</u> <u>satisfied</u>	<u>Percent of</u> <u>inactive</u> <u>interest</u> <u>groups</u> <u>satisfied</u>
Hearings:		
Time of day, location of hearings	57	38
Time allotted to block grants at hearings	56	31
Degree of advance notice	49	24
Number of hearings held	46	30
Time of hearing relative to state's allocation decision-making process	36	26
Availability of information prior to hearings	33	27
Average N for hearings =	353	67
Comments on state plans:		
Availability of copies of state plan of intended expenditures	48	36
Length of comment period on state plan	45	37
Timing of comment period relative to state's allocation decision- making process	36	32
Average N for comments =	249	162
Advisory committees:		
Role of advisory groups	59	30
Composition of advisory groups	66	28
Average N for advisory committees =	178	180
Informal contact:		
Accessibility of state officials for informal contact on block grants	73	56
Average N for informal contact =	294	125

Table A5

Comparison of Responses of State vs. County-Level
Interest Groups Regarding Satisfaction
With State Methods for Facilitating Public Input Into
Block Grant Decisions
 (based on a composite index of the various
 factors shown in detail in table A3)

	Statewide interest <u>groups</u>	County-level interest <u>groups</u>	Total <u>down</u>
Interest groups generally satisfied with state efforts to obtain input	136	22	158
Interest groups generally neutral about state efforts to obtain input	36	7	43
Interest groups generally dissatisfied with state efforts to obtain input	116	33	149
Total across =	288	62	350

Table A6

Comparison of Responses of Interest Groups Representing
Individuals vs. For-Profit, Nonprofit Organizations
and Government Officials and Agencies Regarding
Their Satisfaction with State Methods
for Facilitating Public Input Into
Block Grant Decisions

(based on a composite index of the various
factors shown in detail in table A3)

	<u>Interest</u> <u>groups</u> <u>representing</u> <u>individuals^a</u>	<u>Interest groups</u> <u>representing for-</u> <u>profit/nonprofit</u> <u>organization and</u> <u>government offi-</u> <u>cials and agencies</u>	<u>Total</u> <u>down</u>
Interest groups gener- ally satisfied with state efforts to obtain input	131	61	192
Interest groups gener- ally neutral about state efforts to obtain input	48	18	66
Interest groups gener- ally dissatisfied with state efforts to obtain input	151	43	194
Total across =	330	122	452

^aSome of the interest groups that represented individuals also represented for-profit, nonprofit organizations and/or governmental officials or agencies, but were selected in this analysis to show they represented individuals.

Table A7

Comparison of Responses of Interest Groups
Representing Ethnic Minorities vs.
Other Interest Groups, Regarding Their Satisfaction
With State Methods for Facilitating Public Input
Into Block Grant Decisions
 (based on a composite index of the various
 factors shown in detail in table A3)

	<u>Interest groups representing:</u>		
	<u>Ethnic minorities</u>	<u>Other interest groups</u>	<u>Total down</u>
Interest groups generally satisfied with state efforts to obtain input	79	129	208
Interest groups generally neutral about state efforts to obtain input	21	47	68
Interest groups generally dissatisfied with state efforts to obtain input	97	117	214
Total across =	197	293	490

Table A8

Levels of Satisfaction for Interest Groups
Who Were Favorably vs. Those Who Were Adversely Affected
by State Decisions on Block Grants
 (based on a composite index of the various
 factors shown in detail in table A3)

	Interest groups who believed their constituencies were:			
	<u>Favorably</u> <u>affected</u> <u>by state</u> <u>decisions</u>	<u>Neither</u> <u>favorably</u> <u>nor</u> <u>adversely</u> <u>affected</u> <u>by state</u> <u>decisions</u>	<u>Adversely</u> <u>affected</u> <u>by state</u> <u>decisions</u>	<u>Total</u> <u>down</u>
Interest groups generally satisfied with state efforts to obtain input	77	33	60	170
Interest groups generally neutral about state efforts to obtain input	16	11	31	58
Interest groups gen- erally dissatisfied with state efforts to obtain input	21	27	129	177
Total across =	114	71	220	405

Table A9

Levels of Satisfaction for Interest Groups
Who Saw Block Grants as More Desirable vs. Those
Who Saw Block Grants as Less Desirable Than Prior
Categorical Grants

(based on a composite index of the various
 factors shown in detail in table A3)

	<u>Interest groups who found the block grant approach to be:</u>			<u>Total down</u>
	<u>Generally more desirable</u>	<u>Generally equally desirable</u>	<u>Generally less desirable</u>	
Interest groups generally satisfied with state efforts to obtain input	71	34	61	166
Interest groups generally neutral about state efforts to obtain input	15	9	35	59
Interest groups generally dissatisfied with state efforts to obtain input	29	29	117	175
Total across =	115	72	213	400

(118803)